



2. *The Weekly Factor* is a weekly newspaper owned by Crossroads. The last known address of the paper is 217 Summit Street, Winona, Mississippi 38967.

3. Dale Gerstenslager (hereinafter “Gerstenslager”) is a natural person and a resident of Mississippi. Gerstenslager is the sole officer of Crossroads and its registered agent. Gerstenslager’s last known address is 241 Nix Road, Winona, Mississippi 38967. Gerstenslager was not registered as a broker-dealer or agent with the Division at any time relevant herein.

5. The Division discovered information revealing that Respondent Gerstenslager offered and sold shares of Crossroads stock in Mississippi to Mississippi residents. The stock offered and sold by Respondents was not registered with the Division. Respondents were not registered with the Division to sell the Crossroads stock.

6. Gerstenslager represented to potential investors that money used to purchase Crossroads stock would be used to support publication of *The Weekly Factor*, which was owned by Crossroads.

7. On April 5, 2006, the Division issued a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty (hereinafter “Order”) against Respondents. The Order is affixed hereto as Exhibit “A.” The Order indicates that Respondents shall have thirty (30) days from the date of receipt of the Order to give written notice to the Division requesting a hearing on the matters contained in the Order.

8. On April 6, 2006, the Division mailed a true and correct copy of the Order to Respondents.

9. On April 14, 2006, the Division received the Order, addressed to Crossroads, returned and marked, “Not Deliverable As Addressed.”

10. On June 12, 2006, the Division delivered a true and correct copy of the Order addressed to Crossroads to the Secretary of State pursuant to Miss. Code Ann. § 75-71-703.

11. On June 13, 2006, the Division mailed a true and correct copy of the Notice of Service and Affidavit of Compliance to Crossroads pursuant to Miss. Code Ann. § 75-71-703. The Division sent the Notice of Service and Affidavit of Compliance via certified mail to the last known address of 241 Nix Road, Post Office Box 1019, Winona, Mississippi 38967.

12. On April 14, 2006, the Division received the Order, addressed to Gerstenslager, returned and marked, "Address Vacant."

13. On June 12, 2006, the Division delivered a true and correct copy of the Order addressed to Gerstenslager to the Secretary of State pursuant to Miss. Code Ann. § 75-71-703.

14. On June 13, 2006, the Division mailed a true and correct copy of the Notice of Service and Affidavit of Compliance to Gerstenslager pursuant to Miss. Code Ann. § 75-71-703. The Division sent the Notice of Service and Affidavit of Compliance via certified mail to the last known address of 241 Nix Road, Post Office Box 1019, Winona, Mississippi 38967.

15. To date, Respondents have not contacted the Division regarding the Order.

16. Because Respondents failed to respond within the time allowed by the applicable rules, the Division issues this Final Cease and Desist Order and Order Imposing Administrative Penalty.



### **III. Applicable Statutory Provisions**

17. The previous paragraphs are incorporated herein by reference.

18. With respect to the offer and sale of securities, Section 75-71-401 of the Act states:

...it is unlawful for any person to offer or sell a security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under article 3 of this chapter.

19. Section 75-71-105(k) of the Act states:

"Person" means an individual, (or) a corporation...

20. Section 75-71-105(n) of the Act states:

"Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement...

21. Section 75-71-119 of the Act states:

(a)...[Section] 75-71-401...appl[ies] to persons who sell or offer to sell when (1) an offer to sell is made in this state...  
(c)...an offer to sell or to buy is made in this state whether or not either party is then present in this state when the offer (1) originates from this state or (2) is directed by the offeror to this state...

22. Section 75-71-301 of the Act states:

...it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter.

23. Section 75-71-703 of the Act, in pertinent part, states:

When any person . . . engages in conduct prohibited . . . by this chapter or any rule or order hereunder, and he has not filed a consent to service of process under Section 75-71-701 and personal jurisdiction over him cannot otherwise be obtained in this state, that conduct shall be considered equivalent to his appointment of the secretary of state or his

successor in office to be his attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against him . . . which grows out of that conduct and which is brought under this chapter or any rule or order hereunder, with the same force and validity as if served on him personally.

24. Rule 803 of the Mississippi Securities Act Rules states the following, in relevant part:

A Requesting Party must file a written Request for Hearing with the Secretary of State within thirty (30) days after service of the temporary or summary order or notice entered by the Securities Division....

#### **IV. Conclusions of Law**

25. The previous paragraphs are incorporated herein by reference.

26. The Secretary of State has jurisdiction over this matter and the parties pursuant to Section 75-71-107(a) of the Mississippi Securities Act.

27. Respondents violated Section 75-71-301 of the Mississippi Securities Act by transacting business as a broker-dealer and/or agent in Mississippi without registering as such.

28. Respondents violated Section 75-71-401 of the Mississippi Securities Act by offering and selling unregistered securities within the State of Mississippi.

#### **VI. Public Interest**

This Final Cease and Desist Order and Order Imposing Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purposes of the Act.

#### **VIII. Order**

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in the Act, that Respondents, CROSSROADS MEDIA, INC. and DALE GERSTENSLAGER shall

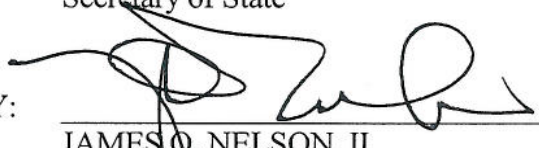
permanently CEASE AND DESIST FROM ACTIVITY IN, OR ORIGINATING FROM THE STATE OF MISSISSIPPI in connection with the offer and/or sale of securities. In addition, CROSSROADS MEDIA, INC. and DALE GERSTENSLAGER shall each pay a fine in the amount of Twenty Five Thousand Dollars (\$25,000.00) payable to the "Mississippi Secretary of State" within fifteen (15) days from the date of this Final Cease and Desist Order and Order Imposing Administrative Penalty.

**BE ADVISED THAT**, a willful violation of this Final Cease and Desist Order and Order Imposing Administrative Penalty may be punishable upon conviction by a fine of not more than Twenty-Five Thousand Dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

ISSUED, this, the 10 day of AUGUST 2006.

ERIC CLARK  
Secretary of State

BY:

  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

Nathan Thomas, MSB # 100496  
Mississippi Secretary of State's Office  
Post Office Box 136  
700 North Street  
Jackson, Mississippi 39205-0136  
(601) 359-6366

**CERTIFICATE OF SERVICE**

I, Nathan Thomas, do here by certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Final Cease and Desist Order and Order Imposing Administrative Penalty to the following:

Dale Gerstenslager  
Crossroads Media, Inc.  
241 Nix Road  
Post Office Box 1019  
Winona, Mississippi 38967

Dale Gerstenslager  
241 Nix Road  
Winona, Mississippi 38967

This, the 15<sup>th</sup> day of August 2006.

  
\_\_\_\_\_  
NATHAN THOMAS  
Senior Attorney



**OFFICE OF THE SECRETARY OF STATE  
STATE OF MISSISSIPPI  
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:	)	
	)	
Crossroads Media, Inc.;	)	
Dale Gerstenslager; and	)	Administrative Hearing
Gerald Stanford	)	Number: <u>S-05-0529</u>
	)	
	)	
RESPONDENTS.	)	

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**SUMMARY CEASE AND DESIST ORDER  
AND NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE PENALTY**

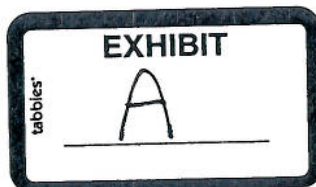
**I. Jurisdiction**

The Business Regulation and Enforcement Division of the Office of the Secretary of State (hereinafter "Division"), having the authority to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act, Miss. Code Ann. §§75-71-101 to 75-71-735 (hereinafter "Act"), upon due consideration of the subject matter hercof, and having confirmed information of the offer and sale of securities within the State of Mississippi, has determined the following.

**II. Findings of Fact**

1. Crossroads Media, Inc. (hereinafter "Crossroads") is a Mississippi corporation. Crossroads' registered agent for service of process purposes is Dale Gerstenslager with an address of 241 Nix Road, Post Office Box 1019 Winona,

S-05-0529





Mississippi 38967. Crossroads was not registered as a broker-dealer or an investment adviser with the Division at any time prior to the issuance of this order.

2. *The Weekly Factor* is a weekly newspaper owned by Crossroads. The last known address of the paper is 217 Summit Street, Winona, Mississippi 38967.

3. Dale Gerstenslager (hereinafter "Gerstenslager") is a natural person and a resident of Mississippi. Gerstenslager is the sole officer of Crossroads and its registered agent. Gerstenslager's last known address is 241 Nix Road, Winona, Mississippi 38967. Gerstenslager was not registered as a broker-dealer or agent with the Division at any time relevant herein.

4. Gerald Stanford (hereinafter "Stanford") is a natural person and a resident of Mississippi. At all times relevant herein Stanford was an employee of *The Weekly Factor*. Stanford's last known address is 901 College Street, Carrollton, Mississippi 38917. Stanford was not registered as a broker-dealer or agent with the Division at any time relevant herein.

5. The Division discovered information revealing that Respondents Gerstenslager and Stanford offered and sold shares of Crossroads stock in Mississippi to Mississippi residents. The stock offered and sold by Respondents was not registered with the Division. Respondents were not registered with the Division to sell the Crossroads stock.

6. Gerstenslager and Stanford represented to potential investors that money used to purchase Crossroads stock would be used to support publication of *The Weekly Factor*, which was owned by Crossroads.

7. Because it appears that Respondents offered and sold unregistered shares of Crossroads stock, while not registered themselves to sell said stock, in the state of

Mississippi to Mississippi residents, the Division issues this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

### **III. Applicable Statutory Provisions**

8. The previous paragraphs are incorporated herein by reference.

9. With respect to the offer and sale of securities, Section 75-71-401 of the Act

states:

...it is unlawful for any person to offer or sell a security in the State of Mississippi unless (1) it is registered under this chapter or (2) the security or transaction is exempted under article 3 of this chapter.

10. Section 75-71-105(k) of the Act states:

"Person" means an individual, (or) a corporation...

11. Section 75-71-105(n) of the Act states:

"Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement...

12. Section 75-71-119 of the Act states:

(a)...[Section] 75-71-401...appl[ies] to persons who sell or offer to sell when

(1) an offer to sell is made in this state...

(c)...an offer to sell or to buy is made in this state whether or not either party is then present in this state when the offer (1) originates from this state or (2) is directed by the offeror to this state...

13. Section 75-71-301 of the Act states:

...it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter.

#### **IV. Conclusions of Law**

14. The previous paragraphs are incorporated herein by reference.

15. The Secretary of State has jurisdiction over this matter and the parties pursuant to Section 75-71-107(a) of the Mississippi Securities Act.

16. Respondents violated Section 75-71-301 of the Mississippi Securities Act by transacting business as a broker-dealer and/or agent in Mississippi without registering as such.

17. Respondents violated Section 75-71-401 of the Mississippi Securities Act by offering and selling unregistered securities within the State of Mississippi.

#### **V. Administrative Penalty**

NOTICE is hereby given that the Secretary of State intends to impose an administrative penalty of up to \$25,000 per violation plus all costs and expenses against the Respondents, pursuant to the authority set out in §75-71-715(2) of the Act.

#### **VI. Public Interest**

This Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty is issued in the public interest and for the protection of investors consistent with the purpose of the Act.

## **VII. Amendments**

The Division reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

## **VIII. Order**

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in §75-71-715(1) of the Act, that Respondents Crossroads Media, Inc., Dale Gerstenslager, and Gerald Stanford shall immediately **CEASE AND DESIST** from any further illegal activity in, or originating from, the State of Mississippi in connection with the offer and/or sale of the Securities to any person without the Securities being duly registered or exempted from registration under the Act and Respondents being duly registered pursuant to the Act.

**BE ADVISED THAT**, pursuant to §75-71-735 of the Act, a willful violation of this Summary Cease and Desist Order may be punishable upon conviction by a fine of not more than twenty-five thousand dollars (\$25,000) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

**NOTICE** is hereby given that the Respondents shall have thirty (30) days from the date of receipt of this Summary Cease and Desist Order to give written notice requesting a hearing on the matters contained herein to James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division, Office of the Secretary of State, Post Office Box 136, 700 North Street, Jackson, Mississippi 39205-0136. In the event such a hearing is requested, the Respondents may appear, with or without the assistance of an attorney, on a date and at a time and place to be specified and cross-examine witnesses,



present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondents' behalf at the hearing relating to the matters contained herein. In the event such written notice is not received within said thirty (30) day period of time, a FINAL CEASE AND DESIST ORDER AND ORDER IMPOSING

ADMINISTRATIVE PENALTY may be entered in this proceeding with no further notice.

ISSUED, this the 5th day of April 2006.

ERIC CLARK  
Secretary of State

BY:

  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation and Enforcement

Nathan Thomas, MSB # 100496  
Mississippi Secretary of State's Office  
Post Office Box 136  
700 North Street  
Jackson, Mississippi 39205-0136  
(601) 359-6366

CERTIFICATE OF SERVICE

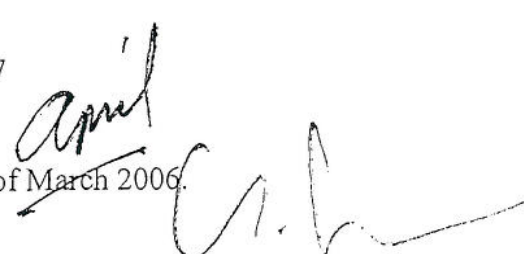
I, Nathan Thomas, do here by certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to the following:

Dale Gerstenslager  
Crossroads Media, Inc.  
241 Nix Road  
Post Office Box 1019  
Winona, Mississippi 38967

Dale Gerstenslager  
241 Nix Road  
Winona, Mississippi 38967

Gerald Stanford  
901 College Street  
Carrolton, Mississippi 38917

This, the 4<sup>th</sup> day of April 2006.

  
\_\_\_\_\_  
NATHAN THOMAS  
Senior Attorney